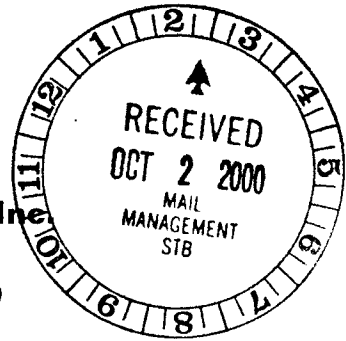




Joseph Transportation Services, Inc.

a subsidiary of Joseph Transportation

RECORDATION NO. 23144 FILED



26 September 2000

Ms. Taledia Stokes
Recordations Unit
Surface Transportation Board
1925 K Street, N.W.
Washington, DC 20423-0001

OCT 4 '00 3-29 PM

SURFACE TRANSPORTATION BOARD

Dear Ms. Stokes:

Please find enclosed, two (2) originals of the Memorandum of Railroad Equipment Lease Agreement dated as of August 30, 2000 between the following parties:

Lessee: Arkansas Short Line Railroads, Inc.
4416 South Arkansas Avenue
Russellville, AR 72802

Lessor: Joseph Transportation Services, Inc.
300 Pike Street
Cincinnati, OH 45202

Please file this agreement as a primary document. The summary for the index is as follows:
Memorandum of Railroad Equipment Lease Agreement dated as of August 30, 2000 between Joseph Transportation Services, Inc. (Lessor) and Arkansas Short Line Railroads, Inc. (Lessee) covering forty-seven (47) railcars bearing reporting marks DR 14001-14047.

A check in the amount of \$26.00, check 12818, is included for the filing fees for this document. Please return the original to my attention.

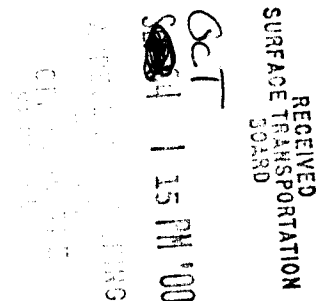
Should you have any questions or need further information, please do not hesitate to contact me at (513) 345-4408.

Sincerely,

Joseph Transportation Services, Inc.

Mary Jo Colebrook
Contract Manager

Enclosures



RECORDATION NO. 23144 FILED

OCT 4 '00 3:29 PM

**MEMORANDUM OF
RAILROAD EQUIPMENT LEASE AGREEMENT** SURFACE TRANSPORTATION BOARD

This **MEMORANDUM OF RAILROAD EQUIPMENT LEASE** ("Memorandum of Lease") entered into this 30th day of August, 2000, is intended to evidence the lease dated as of August 30, 2000 (the "Lease"), between **JOSEPH TRANSPORTATION SERVICES, INC.**, a Delaware corporation ("Lessor"), and **ARKANSAS SHORT LINE RAILROADS, INC.**, an Arkansas corporation ("Lessee"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board under Section 49 of U.S.C. 11301. Lessee has the right to use the forty-seven (47) railcars described in Exhibit A attached hereto (the "Units"). Lessee is renting from Lessor all the Units at the rentals and upon the terms and conditions provided in the Lease.

IN WITNESS WHEREOF, Lessor and Lessee, each pursuant to due corporate authority, has executed this Memorandum of Lease on the date indicated below its signature.

JOSEPH TRANSPORTATION SERVICES, INC.

ARKANSAS SHORT LINE RAILROADS, INC.

By: Paul E. Loebig

Name: Paul E. Loebig

Title: Vice President

Date: August 30, 2000

By: Timothy K. Robbins

Name: Timothy K. Robbins

Title: Vice President

Date: September 6, 2000

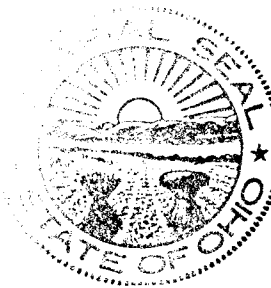
STATE OF OHIO)
)
COUNTY OF HAMILTON) SS:

The foregoing instrument was acknowledged before me this 30th day of August, 2000, by Paul E. Loebig, the Vice President of Joseph Transportation Services, Inc., a Delaware corporation, on behalf of the corporation.

Julie M Woodard
Notary Public

My Commission expires:

Sept. 24, 2002



JULIE M. WOODARD
Notary Public, State of Ohio
My Commission Expires Sept. 24, 2002

STATE OF Arkansas)
)
COUNTY OF Yell)

SS:

The foregoing instrument was acknowledged before me this 6th day of Sept., 2000, by Timothy R. Robbins, the Vice President of Arkansas Short Line Railroads, Inc., an Arkansas corporation, on behalf of the corporation.

Edna M Farnam
Notary Public

My Commission expires:

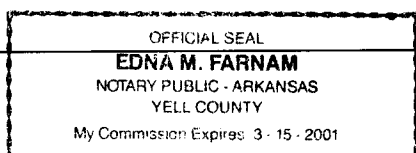


EXHIBIT A

To the Memorandum of Lease dated August 30, 2000, between Joseph Transportation Services, Inc. and Arkansas Short Line Railroads, Inc.

DESCRIPTION OF UNITS

Forty-seven (47) railcars bearing reporting marks as follows:

DR 14002	DR 14009	DR 14042
DR 14003	DR 14010	DR 14043
DR 14011	DR 14012	DR 14044
DR 14015	DR 14013	DR 14045
DR 14017	DR 14014	DR 14047
DR 14019	DR 14016	DR 14001
DR 14020	DR 14018	DR 14005
DR 14024	DR 14021	DR 14008
DR 14025	DR 14023	DR 14022
DR 14029	DR 14026	DR 14028
DR 14035	DR 14027	DR 14031
DR 14038	DR 14030	DR 14032
DR 14041	DR 14036	DR 14033
DR 14004	DR 14037	DR 14034
DR 14006	DR 14039	DR 14046
DR 14007	DR 14040	